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Financing of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

First performance report of the International Tribunal for the Former Yugoslavia for the biennium 2016-2017

Report of the Secretary-General

Summary

The present report identifies revised estimates for the International Tribunal for the Former Yugoslavia as a result of variations in costing parameters assumed at the time of the initial appropriation. The increased requirements are a result of contributing factors, including an increase in requirements relating to exchange rates and standard costs, offset in part by reductions relating to inflation and vacancy rates. The General Assembly is requested to approve a revised appropriation for the biennium 2016-2017 in the amount of $98,064,000 gross ($86,737,900 net), reflecting an increase of $2,316,900 gross ($1,893,300 net).

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I. Introduction

1. The primary purpose of the first performance report is to identify revised estimates for the International Tribunal for the Former Yugoslavia owing to variations in the rates of inflation and exchange and in the standards and vacancy rates assumed in the calculation of the initial appropriation.

2. The gross increase in requirements of $2,316,900 resulting from these technical adjustments is shown in tables 1 and 2 below. Table 1 reflects the changes by component and main determining factors, and table 2 reflects the changes by object of expenditure and main determining factors.

3. Explanations of the variations in the costing parameters assumed in the calculation of the initial appropriation are provided in the paragraphs below. In addition, the annex to the report provides the budgetary assumptions used in the initial appropriation for the biennium 2016-2017 and the rates proposed in the present report.

Table 1

Summary of projected expenditures and income by component and main determining factors

(Thousands of United States dollars)

Component	*2016-2017 appropriation*[a]	*Projected changes*					*Prop re appropri*
		Exchange rate	*Inflation*	*Standard costs*	*Vacancy rates*	*Total*	
A. Chambers	7 671.4	162.8	(324.0)	–	–	(161.2)	7 5
B. Office of the Prosecutor	15 963.4	612.1	(93.4)	(136.9)	(201.8)	180.0	16 1
C. Registry	72 112.3	3 023.8	(659.2)	482.8	(549.3)	2 298.1	74 4
Total expenditure (gross)	**95 747.1**	**3 798.7**	**(1 076.6)**	**345.9**	**(751.1)**	**2 316.9**	**98 0**
Income							
Staff assessment	10 722.5	319.7	(74.9)	276.6	(97.8)	423.6	11 1
Other income	180.0	–	–	–	–	–	1
Total (net)	**84 844.6**	**3 479.0**	**(1 001.7)**	**69.3**	**(653.3)**	**1 893.3**	**86 7**

[a] As approved in resolution 70/242.

Table 2

Summary of projected expenditures by object of expenditure and main determining factors

(Thousands of United States dollars)

Component	*2016-2017 appropriation*[a]	*Projected changes*					*Prop re appropri*
		Exchange rate	*Inflation*	*Standard costs*	*Vacancy rates*	*Total*	
Posts	39 869.6	1 637.0	(258.2)	69.3	(653.3)	794.8	40 6
Other staff costs	21 153.2	993.3	(242.8)	–	–	750.5	21 9
Non-staff compensation	7 526.0	161.9	(322.9)	–	–	(161.0)	7 3
Consultants	92.5	4.1	(1.2)	–	–	2.9	

Component	2016-2017 appropriation[a]	Projected changes					Proposed revised appropriation
		Exchange rate	Inflation	Standard costs	Vacancy rates	Total	
Experts	39.4	2.2	(0.4)	–	–	1.8	41.2
Travel of staff	1 251.6	0.0	(7.0)	–	–	(7.0)	1 244.6
Contractual services	7 707.1	332.1	(84.3)	–	–	247.8	7 954.9
General operating expenses	6 798.5	323.1	(78.6)	–	–	244.5	7 043.0
Hospitality	10.9	0.4	(0.2)	–	–	0.2	11.1
Supplies and materials	215.0	10.3	(2.5)	–	–	7.8	222.8
Furniture and equipment	317.6	12.7	(3.3)	–	–	9.4	327.0
Improvement of premises	30.8	1.9	(0.3)	–	–	1.6	32.4
Grants and contributions	12.4	–	–	–	–	–	12.4
Staff assessment	10 722.5	319.7	(74.9)	276.6	(97.8)	423.6	11 146.1
Total (gross)	**95 747.1**	**3 798.7**	**(1 076.6)**	**345.9**	**(751.1)**	**2 316.9**	**98 064.0**
Income							
Staff assessment	10 722.5	319.7	(74.9)	276.6	(97.8)	423.6	11 146.1
Other income	180.0	–	–	–	–	–	180.0
Total (net)	**84 844.6**	**3 479.0**	**(1 001.7)**	**69.3**	**(653.3)**	**1 893.3**	**86 737.9**

[a] As approved in resolution 70/242.

II. Explanation of the variances in gross requirements

4. The variances resulting from the main determining factors reflected in tables 1 and 2 amount to an increase of $2,316,900 in expenditure requirements, for a total revised appropriation of $98,064,000 (gross). Details are set out below (in thousands of United States dollars).

Appropriation[a]	**95 747.1**	
Variances relating to changes in budgetary assumptions on:		
Exchange rates	3 798.7	Based on United Nations operational rates of exchange
Inflation assumptions	(1 076.6)	Based on consumer price indices, post adjustment multipliers promulgated and actual versus budgeted cost-of-living adjustments
Standard salary and common staff costs	345.9	Based on analysis of actual payroll data, common staff costs and staff assessment provisions
Vacancy rates	(751.1)	Based on analysis of actual vacancy rates
Revised total	**98 064.0**	

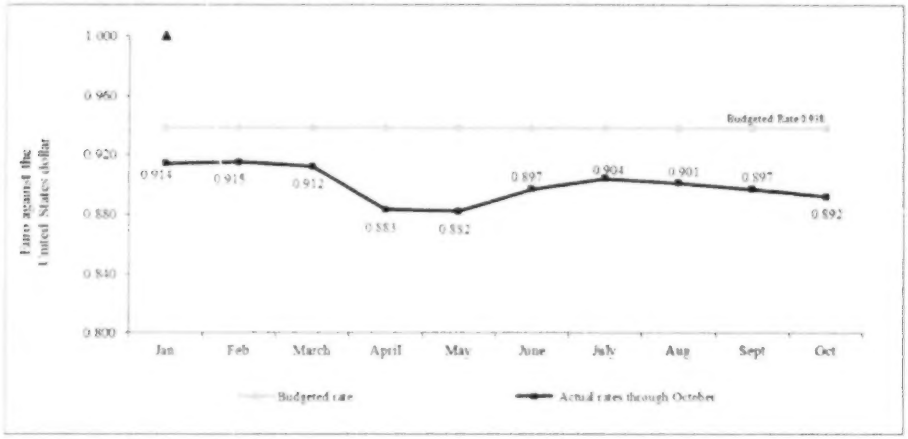
[a] As approved in resolution 70/242.

A. Exchange rates

(Increase: $3,798,700)

5. As indicated in the proposed budgets for the biennium 2016-2017 for the International Tribunal for the Former Yugoslavia, the proposed budgets are recosted in line with the standard regular budget recosting methodology (see A/70/397, para. 12). In line with section IX of General Assembly resolution 69/274 A, the budgeted exchange rate approved in the initial appropriation was based on forward exchange rates for the euro. In the present performance report, the exchange rate for the euro realized from January to October 2016 has been applied to 2016, and the forward exchange rate approved for 2016 has been applied to November and December 2016. For 2017, the revised forward rate for the euro has been applied. The increase of $3,798,700 reflects requirements for the biennium 2016-2017 owing mainly to the depreciation of the United States dollar against the euro (see figure below).

Figure
Performance of the euro against the United States dollar: 2016



B. Inflation assumptions

(Decrease: $1,076,600)

6. The revised projected inflation rates applied to all objects of expenditure in The Hague are based on: (a) post adjustment multipliers that have been promulgated by the International Civil Service Commission (ICSC) for staff in the Professional and higher categories for the period from January to October 2016 and projections made by ICSC on the basis of updated parameters for exchange rates and inflation; (b) actual versus budgeted cost-of-living adjustments based on prevailing market conditions for staff in the General Service and related categories as experienced in 2016 and projections for 2017; and (c) the latest available information on consumer price indices as derived from *The Economist* for non-post objects of expenditure.

7. The decreased requirements relate mainly to a decrease in requirements under posts and non-post objects of expenditures owing to lower inflation rates than those assumed in the initial appropriation.

C. Standard salary and common staff costs

(Increase: $345,900)

8. The increase of $345,900 reflects the net effect of adjustments to standard salary costs, common staff costs and staff assessment rates. Revisions to standard salary costs for 2016 are based on the actual payroll averages experienced thus far in the biennium, by category and level. For the present report, the Tribunal's monthly payroll averages from January to September 2016 were analysed for each category and level and compared with those used in the initial appropriation. Projections for 2017 are based on the trends experienced in 2016.

9. Common staff costs are budgeted as a percentage of net salaries for each duty station. Expenditures under common staff costs relate to allowances and benefits, appointments, transfers and separation of staff. Adjustments to common staff costs are based on the analysis of actual common staff costs for the Tribunal during the biennium 2014-2015 as well as the experience thus far in 2016 compared with those assumed in the initial appropriation.

D. Vacancy rates

(Decrease: $751,100)

10. The decrease of $751,100 results from adjustments made to the 2016-2017 vacancy rates to take into account the experience realized in 2016, as reflected in the annex to the present report.

III. Action to be taken by the General Assembly

11. **The General Assembly is requested:**

(a) **To take note of the present report;**

(b) **To approve a revised appropriation for the biennium 2016-2017 in the amount of $98,064,000 gross ($86,737,900 net), reflecting an increase of $2,316,900 gross ($1,893,300 net).**

Annex

Budgetary assumptions for the International Tribunal for the Former Yugoslavia for the biennium 2016-2017

	Initial appropriation		*Proposed estimates for the revised appropriation*	
Budget parameters	*2016*	*2017*	*2016*	*2017*
Rate of exchange[a]	0.938	0.938	0.906	0.881
Inflation rate (percentage)	1.2	1.4	0.2	1.0
Post adjustment multiplier (percentage)	28.00	28.64	32.61	34.00
Common staff costs rate (percentage)	37.6	37.6	34.8	34.8
Vacancy rates for posts (percentage)				
Professional and higher categories	4.2	4.2	6.9	6.9
General Service and related categories	0.5	0.5	0.7	0.7

[a] Euro to United States dollar.